

FERC approves Western's Standards of Conduct

Western won a major victory April 1 when the Federal Energy Regulatory Commission gave us the go-ahead for operating under open transmission access rules. FERC found that "Western's Standards of Conduct and the organizational charts and job descriptions it posted on the OASIS are acceptable."

Western filed a petition with FERC in December requesting approval of its procedures for ensuring transmission pricing and availability information are equally available to all transmission customers, including Western staff who work in power marketing jobs.

"The approval by FERC puts our operations on a firm, equal footing with utilities required to comply with the Commission's Order No. 889 on open access," said Administrator **Mike Hacskeylo**. "This ruling positions Western to operate as a full-fledged member of the ever-changing electric utility industry."

The Commission's Order for investor-owned utilities to separate transmission reliability functions from those of marketing power was developed in response to the Energy Policy Act of 1992. Western is not required to comply with this FERC Order.

However, DOE pledged that the PMAs would comply to the extent permissible by law.

Unique power marketer

Western's Standards of Conduct, while based on templates developed by the Commission, contain several deviations because of Western's unique nature as a Federal power marketing administration. "By finding our Standards of Conduct acceptable, FERC is agreeing that we have met the Commission's requirements to separate our transmission and power sales functions and to restrict communications about transmission prices and availability from its transmission func-

tion to its power sales function," explained **Susan Earley**, Western's legal advisor to the team that developed our Standards of Conduct.

"Western has historically offered available transmission at cost on our nearly 17,000-mile system, but we've had difficulty obtaining transmission arrangements over certain utility systems due to industry changes arising from the FERC open access orders," said **Liova Juarez**, General Counsel. "Western's voluntary compliance with FERC's open access orders makes it easier to obtain those transmission services and clarifies our position on open access."

Flexibility allowed

Ed Chang, Western's Standards of Conduct project manager in SN, said FERC "gave plenty of flexibility and deference to Western" in approving the Standards of Conduct. Chang pointed out that, according to FERC, "Western has shown that its situation is far different from the typical transmission provider...in these circumstances we believe we must allow some flexibility, assuming the core purposes of achieving comparable service can be satisfied."

Chang said FERC was able to issue a ruling in Western's favor because we provided appropriate justification for the decision. "We were able to beef up our support in these areas because of the discussions we had during our pre-filing conference with FERC staff," he stated. "The pre-filing conference was money well spent. Having FERC approval and acceptance of our Standards of Conduct without conditions is truly a win for Western. Congratulations to all who supported and contributed to the filing."

For more information, visit the Standards of Conduct page on Western's internal Web site. There you will find a number of Standards of Conduct resources, and the FERC ruling. You'll find the "FERC 889 Standards of Conduct Team" site listed under "Teams/Projects."

